

Personnel

Wage and Salary
Administration

**Salary Determination
and Review**

POLICY:

- .01 Within the parameters of available funding, the Laboratory's compensation program
- Provides a level of compensation that attracts, motivates, and retains a quality work force, which is necessary for the achievement of Laboratory goals;
- Recognizes and rewards performance and productivity while maintaining a competitive market position; and
- Provides internal equity within the Laboratory.
- Laboratory managers monitor salaries to ensure that these goals are accomplished.

DEFINITIONS:

**Salary Increase
Authorization**

- .02 At the end of each fiscal year, the University of California (UC) requests Department of Energy (DOE) authorization for the Laboratory to spend additional operating funds on salary increases in the next fiscal year. This fund is called the Salary Increase Authorization (SIA) and is specified by DOE as a percentage increase over current payroll for each series. The purpose of the SIA is to enable the Laboratory to maintain its competitive position in the relevant labor markets. SIA funds are available for raises during the annual salary review cycle and for other salary increases during the year.

Promotional Fund

- .03 The DOE may allocate a percentage of the SIA for salary increases accompanying promotions. This fund, which is administered separately from the SIA, is referred to as the promotional fund. The promotional fund is allocated by directorate and is administered and tracked by the Human Resources Compensation Group (HR-C).

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Base Percentage Increase	.04	The Laboratory breaks its SIA into 2 components, the Base Percentage Increase (BPI) and the Salary Adjustment (SA). The BPI recognizes upward movement in relevant comparison markets for employees whose performance assessments indicate that their job performance is fully satisfactory or better.
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Salary Adjustment Component	.05	The Salary Adjustment component of the SIA is used to reward sustained exceptional performance, to reflect increased job responsibilities, correct salary misalignment, or to recognize special market considerations.
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RESPONSIBILITIES:

Compensation Group	.06	HR-C annually reviews the Laboratory's salary structure and submits an SIA proposal to UC to increase the base payroll of each series by specified percentages that reflect measured changes in the relevant labor markets in which the Laboratory competes. HR-C also provides support for Laboratory managers during the salary review cycle. At the conclusion of the salary review exercise, HR-C requests necessary DOE and UC approvals for specific salary actions.
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Director	.07	The Director determines the breakdown of the overall SIA into the BPI and SA components. SIA funds for each series are then allocated to each Associate Director (AD). The Director also issues instructions on the distribution and use of SIA funds, including percentage and application of BPI and SA components and other special instructions.
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Managers	.08	Laboratory managers determine what portion of the SIA allocated to them for each series should be spent during the annual salary review and what portion should be retained for interim increases. See .33. Managers determine the level of individual salaries and pay increases and are responsible for appropriate salary alignment of their employees.
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Supervisors

- .09 Supervisors provide input on employee contributions by completing annual performance assessments for employees under their supervision and consult with managers to determine the level of individual pay increases. See [AM 109](#).

PAY STRUCTURES:

Structured Series

- .10 The Laboratory applies a salary range to each level in each of the Structured Series. The minimum and maximum of the range represent the lowest and highest salaries for positions at that level. Salaries below the minimum or over the maximum require UC approval. Each range also has a control point that represents the average salary paid by other employers to fully qualified individuals in positions with duties and responsibilities comparable to those of Laboratory employees. The midpoint of each range is a figure that falls halfway between the minimum and the maximum. PS-4 makes adjustments to the Laboratory's pay structure annually and submits adjustment proposals for approval by UC and DOE. AM 200.III. shows the pay ranges for each series.

Technical Staff Member Series

- .11 The Laboratory does not apply a formal pay structure to positions in the Technical Staff Member (TSM) Series. Salary comparisons are made within peer groups of employees based on the level of academic degree and number of years of relevant experience. HR-C provides graphs showing this data to managers during the Laboratory's annual salary review. Managers should share this data with their employees.

NEW-HIRE SALARIES:

Structured Series

- .12 Salary offers for new employees should be appropriate to the level of the assigned duties and commensurate with training, experience, competitive salary requirements, and internal equity. Employment Representatives in the Human Resources Staffing Group (HR-S) provide information on appropriate salaries.

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- .13 A candidate who is fully qualified for the position he or she is offered will normally be offered a salary at or below the control point of the applicable salary range.
- Technical Staff Member** .14 Salary offers for TSM Series employees are based on a market reference point that reflects what other employers like the Laboratory pay for jobs requiring similar technical credentials and experience. Other factors to be considered in establishing an offer salary are
- The candidate's professional credentials (professional reputation, publications, and demonstrated competence),
 - The competitiveness of the Laboratory's offer with other bona fide job offers the candidate has received,
 - The competitiveness of the Laboratory's offer with the candidate's current base salary, and
 - The alignment of the salary offer with the salaries of the individual's peer group in the hiring organization.
- The **HR-S** Employment Representative provides hiring managers with relevant comparison data and suggests an appropriate range of salaries. Offers should not exceed the market reference point unless the candidate has exceptional qualifications related to the position.
- Factors Not Considered** .15 The following are not justifications for offering Structured Series salaries above the relevant control point or TSM salaries above the market reference point
- The cost of living in the Los Alamos area,
 - The income the candidate will lose because his or her spouse or domestic partner will not be employed or because the candidate will give up consulting or other secondary employment, and
 - The minimum acceptable offer specified by the candidate.

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No Competing Offers .16 If a Laboratory organization makes an offer of employment to a candidate who has an outstanding offer for a position in the same series and level from another Laboratory organization, the offer salaries must be the same. HR-S monitors offer salaries to ensure that Laboratory managers do not make competing offers.

Approvals .17 All new-hire salaries are approved by the cognizant AD. DOE must approve any offer salary over the established approval threshold. UC must approve new-hire salaries for Structured Series employees that are below the minimum or over the maximum for the applicable salary range. The Human Resources Division Office (HR-DO) obtains these approvals when necessary.

Special Employment Programs .18 Salary offers to candidates in the Laboratory's special employment programs are made according to the guidelines established for those programs. *See the AM subject on the program in question in [Section 1100](#).*

TRANSFERS: .19 No salary adjustment is made when a Structured Series employee transfers to another position with the same salary range as the previous position or when a TSM employee transfers to another TSM position. If a salary increase is necessary to align the employee's salary with other salaries in the new organization, the manager may grant an interim increase at a later date or make the adjustment during the next annual salary review.

STRUCTURED SERIES PROMOTIONS:

Charges to the Promotional Fund .20 When a Structured Series employee is promoted, the manager must grant an increase to the minimum of the new range if the employee's salary is below the applicable minimum. The directorate's promotional fund is not charged for the amount required to bring the employee's salary to the minimum of the new range if the selection was the result of a Laboratorywide advertisement. The

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promotional fund is charged for increases to the minimum if the selection was the result of a waiver of advertising or limited-scope advertising and for any increase above the minimum.

Promotions by Selection

- .21 An employee in the Structured Series who is selected to fill a higher-level nonmanagement position does not assume the advertised level of the position unless certain criteria are met. See [AM 201](#). An employee who does not assume the advertised level does not receive a promotional increase. When the employee is reclassified to the full level of the position, a promotional increase may or may not be granted. See [.20](#) and [AM 201](#).

Promotions by Reclassification

- .22 The manager may grant a promotional salary increase to an employee in the Structured Series who is promoted through reclassification. The increase must be effective on the same date the promotion becomes effective. The considerations in [.20](#) apply.

Promotions to Management Positions

- .23 The manager may grant a salary increase to an employee who is promoted to a management position in the SSM Series. The salary increase must be effective the date that the promotion becomes effective. If the employee's salary is below the minimum of the new range, an increase to the minimum is required. See [.20](#).

Acting Appointments

- .24 The appointing manager may or may not award a temporary salary increase when an employee receives an acting appointment. The appointing manager must rescind any salary increase accompanying an acting appointment when the acting appointment expires. There is no charge to the directorate's promotional fund for increases associated with acting appointments.

NOTE: Depending on the circumstances, the duration of an acting appointment may be limited. See [AM 119](#).

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- APPROVALS** .25 All increases, regardless of when granted, must be approved by the cognizant group-, division-, and directorate-level managers. DOE approval is required for salaries over the threshold established by DOE. Salaries above the maximum for the applicable series require UC approval. HR-DO obtains DOE and UC approval when necessary.
- STRUCTURED SERIES DEMOTIONS:** .26 A reduction in salary may or may not accompany the demotion of a Structured Series employee. The organization may reduce the employee's salary to provide more equitable salary alignment with other employees in the same series and level. A reduction in salary is required when the employee's current base salary exceeds the range maximum of the new series and level, or UC must approve the out-of-range salary.
- Promotion Subsequent to Demotion** .27 Salary increases for employees promoted subsequent to a demotion are handled in the same manner as other promotional increases.
- TSM REASSIGNMENTS:** .28 When a TSM manager is reassigned to a non-management or lower-level management position on either a voluntary or involuntary basis, that individual's salary will be adjusted to reflect the new job duties and peer group. The decision to reassign the manager is not subject to the complaint procedure set forth in AM 111, [Complaint Resolution](#). However, whether the amount of the new salary has been appropriately set according to the new job duties and peer group will be subject to the complaint procedure set forth in AM 111, unless the new position is covered by the *UC-Managed DOE National Laboratories Policy on At Will Upper Management Personnel*. In the latter event, the new salary level will be subject to the *University of California Resolution of Concerns for At Will Upper Management Personnel* policy.
- ANNUAL SALARY INCREASES:**
- Eligibility** .29 Employees with full- or part-time regular or limited-term appointments on the established date for the beginning of the salary review cycle are eligible for increases. Casual employees may

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receive increases during the salary review period through a separate procedure described in the Director's Instructions. Short-term employees are ineligible. Salary increases for special employment program employees are granted on different schedules, depending on the program. *For more information, see the appropriate subject in [Section 1100](#).*

EXCEPTION: Employees whose salaries are above the range maximum for their series and level are not eligible for annual increases.

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| Effective Date of Increases | .30 | Increases granted during the annual salary review exercise are generally effective on the first day of the pay period nearest the start of the fiscal year. Other salary increases are effective on dates determined by management. |
| Director's Instructions | .31 | At the beginning of each annual salary review cycle, HR-DO distributes the Director's Instructions, which contain specific procedures for conducting the salary review, including specification of BPI percentages, a schedule of deadlines for submission of proposed salary increases, and approval deadlines. |
| Determination | .32 | Salary increase decisions must reflect employee job performance, as documented in the performance assessment, relative to the employee's peer group performance; the relative importance of the employee's skill to the organization; the alignment of the employee's salary with the salaries of other employees making similar contributions; and the amount of the SIA available for each employment series in an organization. Individual salary increases are reviewed and approved by appropriate managers. |
| UC and DOE Approval | .33 | UC must approve any combination of salary increases that results in an increase of 25% in 1 year and all Structured Series salaries over the applicable range maximum. Salaries over the threshold established by DOE require DOE approval. |

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INTERIM SALARY INCREASES:

- .34 Organizations may retain part of the SIA allocation for the fiscal year to use for interim nonpromotional increases. However, allocations may not be carried over to the following year. The Director's Instructions contain information on allocation and use of SIA funds.